



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 22, 2004

S. 1107

Recreational Fee Authority Act of 2004

*As ordered reported by the Senate Committee on Energy and Natural Resources
on February 11, 2004*

SUMMARY

S. 1107 would authorize the National Park Service (NPS) to establish, charge, and modify admission and user fees at units of the National Park System. Section 3 of the bill would allow the NPS to retain and spend all offsetting receipts collected under this authority without further appropriation. Both the authority to collect and to spend NPS recreation receipts would become effective on January 1, 2006, the day after the existing recreation fee demonstration program expires. (Created in 1996, the demonstration program authorizes the NPS and other federal land management agencies to charge higher recreation fees than would otherwise be permitted and to spend the proceeds.)

The effect of S. 1107 on total recreation fee receipts and spending would partly depend on how the NPS would use the bill's authorities in conjunction with current law following the expiration of the current demonstration program. For this estimate, CBO assumes that the NPS would use the authorities provided under S. 1107 to continue the recreation fee demonstration program permanently. We estimate that direct spending would increase under the bill by \$592 million over the 2006-2014 period because the bill would authorize the spending of fee collections that would not otherwise be available.

This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated net budgetary impact of S. 1107 is summarized in the table below. The costs of this legislation fall within budget function 300 (natural resources and environment).

By Fiscal Year, in Millions of Dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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DIRECT SPENDING

NPS Recreation Fee Program											
Net Spending Under Current Law											
Budget Authority ^a	0	0	-63	-79	-81	-82	-84	-86	-88	-89	-91
Estimated Outlays	6	30	76	5	-59	-79	-84	-86	-88	-89	-91
Proposed Changes											
Authorization Level	0	0	63	79	81	82	84	86	88	89	91
Estimated Outlays	0	0	-4	33	62	77	82	83	85	86	88
NPS Recreation Fee Program											
Net Spending Under S. 1107											
Authorization Level	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	6	30	72	38	3	0	-2	-3	-3	-3	-3

a. The current law amounts represent net direct spending of the NPS under the existing recreation fee demonstration program (which expires on December 31, 2005) and under the Land and Water Conservation Fund Act (LWCFA), which will govern the collection and spending of NPS recreation fees after December 31, 2005.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the NPS would collect and spend recreation fees at all park units under the authority provided by S. 1107, at rates similar to those it now charges under the recreation demonstration program. S. 1107 would provide broad, permanent authority to collect and spend recreation fees at NPS sites similar to that contained in the temporary recreation fee demonstration program. Unlike that program, however, the bill would not specifically repeal or override the fee-related provisions in the Land and Water Conservation Fund Act (LWCFA). The LWCFA will govern the collection and spending of recreation fees after December 31, 2005. Moreover, the bill would not apply to other federal land management agencies that offer similar, often competing, recreation opportunities. This estimate is based on information provided by NPS and assumes that the NPS determines that the fee caps, fee prohibitions, and other fee limitations contained in the LWCFA would not apply to fees that would be established under S. 1107.

CBO estimates that enacting S. 1107 would essentially continue the current recreation demonstration program. The bill—like the demonstration program—would allow the NPS to spend 100 percent of all receipts. Starting in 2006, the LWCFA would otherwise authorize the spending of 15 percent of recreation receipts.

The net effect of these changes would be an increase in direct spending authority of \$63 million for fiscal year 2006, \$79 million in 2007 (the first full year after the new authority would become effective), and \$745 million through fiscal year 2014. CBO estimates that outlays from this new spending authority would total \$592 million over the 2006-2014 period.

Under the bill, recreation fees could also increase by as much as \$32 million in 2006 and between \$41 million and \$47 million a year thereafter, but any new receipts would be offset by an identical increase in new spending. If the NPS were to determine that it must abide by specific restrictions in the LWCFA when establishing fees under S. 1107, the agency would probably not implement any significant increase in offsetting receipts. In the event that no new receipts could be collected under S. 1107, the NPS would be authorized to spend recreation fees under the bill, and the net budget impact would be similar.

In addition, because fees charged by other land-management agencies would not be increased under S. 1107, it is possible that the NPS might not be able to charge higher fees at some parks without putting itself at a competitive disadvantage with other federal recreation providers. In that event, the NPS may not be able to increase rates to the level estimated here; however, the net budget impact would be the same because spending would fall by the same amount.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1107 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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